

# Introduction to E-Commerce

## 4

We are living in the era of information. Information is available from sources like radio, television, newspaper and Internet. The availability of Internet and mobile devices has changed the way we used to access information. People have started using Internet almost every hour of the day with mobile devices. Earlier websites were used mainly to disseminate information about the product or organization. For example, website of an educational institute provides information regarding various courses, course content, students and its faculties. Similarly, business organizations provide information regarding their products, features of the product, their suppliers, how to order the products and so on.

Last few decades, due to tremendous development in telecommunication infrastructure and software technologies, Internet has become popular among the individuals as well business organizations. Internet has revolutionized the way business is conducted nowadays. Today, Internet is being used by people for various purposes like paying bills, banking and even shopping. Business organizations conduct activities like marketing of the product, selling of products, providing catalogue, trading of the stocks and customer service. The use of Internet for conducting such business activities is known as E-commerce.

E-commerce can also be defined as buying and selling of products, services and information using electronic media like Internet. It is a modern business methodology that addresses to the needs of organizations, merchants and consumers in cutting costs while improving the quality of goods and services. It also increases the speed of delivery. It allows people to rise above the barriers of time and distance and take the benefit of global markets and business opportunities.

Selling the products through websites is the fastest growing method of trading worldwide. Many different types of products and services such as books, electronic gadgets, cars, holiday packages and many more are traded online. Many businesses have now set up their own websites for E-commerce related activities. E-commerce creates a whole world of global village from where anyone can buy anything, anytime and from anywhere.

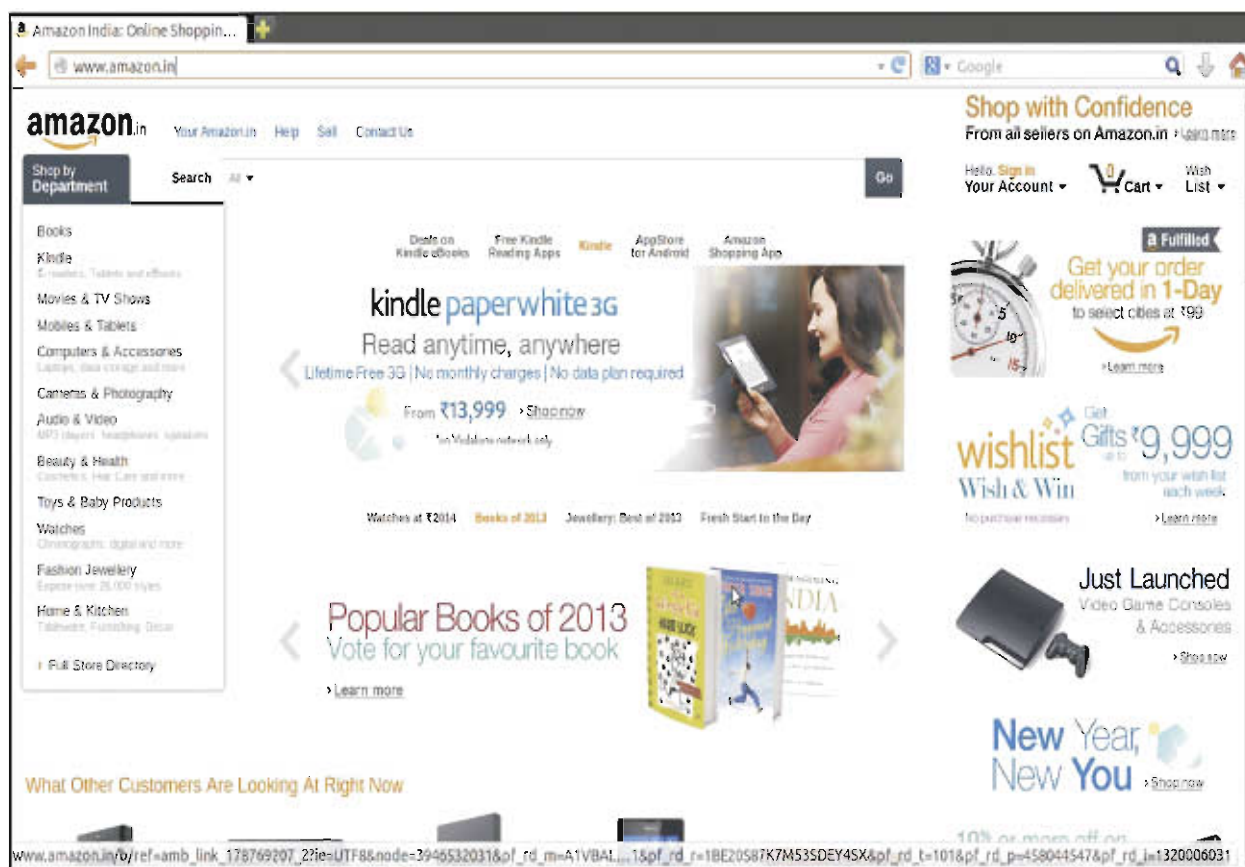
### Applications of E-commerce

The major areas of business and commercial activities where E-commerce is widely used today includes trading of goods which comprises of marketing and selling, auctions of goods, financial services like banking and insurance. Let us discuss these areas briefly. E-commerce is not limited to the areas discussed here but spreads across many other developing areas for doing business and other activities.

#### Internet bookshops

This was one of the first applications of E-commerce on Internet. Customers prefer purchasing books on Internet as they do not require to be physically checked and can be easily described. Books can be easily shipped to the customers place little or no damage to them. Online bookstores need

a good website displaying all the books category wise, picture of the cover page, description of the books including the number of pages, price of the book, discounts and reviews of other customers. The search of a book can be made by title of the book, author's name or publication name. The online bookstores may also record the customer's interests and inform them about new arrivals to attract and retain their interest. Figure 4.1 shows the home page of one of the first online bookstore [www.amazon.com](http://www.amazon.com).



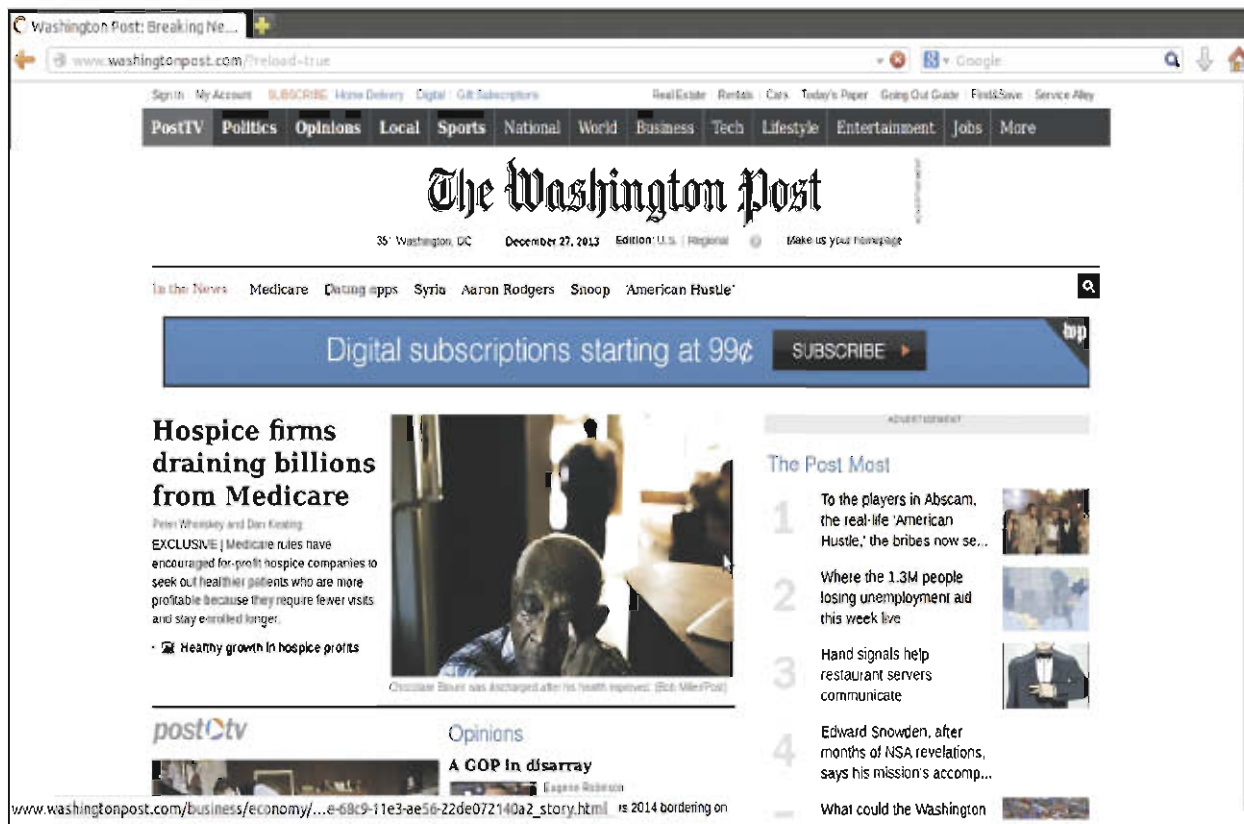
**Figure 4.1 : Online bookstore**

Some of the large online bookstore websites are as mentioned :

- [www.amazon.com](http://www.amazon.com)
- [shopping.indiatimes.com](http://shopping.indiatimes.com)
- [www.buybooksindia.com](http://www.buybooksindia.com)
- [www.bookshopofindia.com](http://www.bookshopofindia.com)

### Electronic newspaper

An electronic newspaper also known as E-newspaper is a newspaper that exists on the Internet in digital form. It has advantages over the printed newspaper and the news broadcasted on television and radios. It can give us up-to-date news on the issues that are happening worldwide. With the advent of digital technologies, the browser can be set to select the news as per the interest of the reader. It also removes the hassle of printing process and further help in reducing the costs. Majority of the leading newspaper now provide E-newspaper to the readers. Figure 4.2 shows the home page of E-newspaper Washington Post.



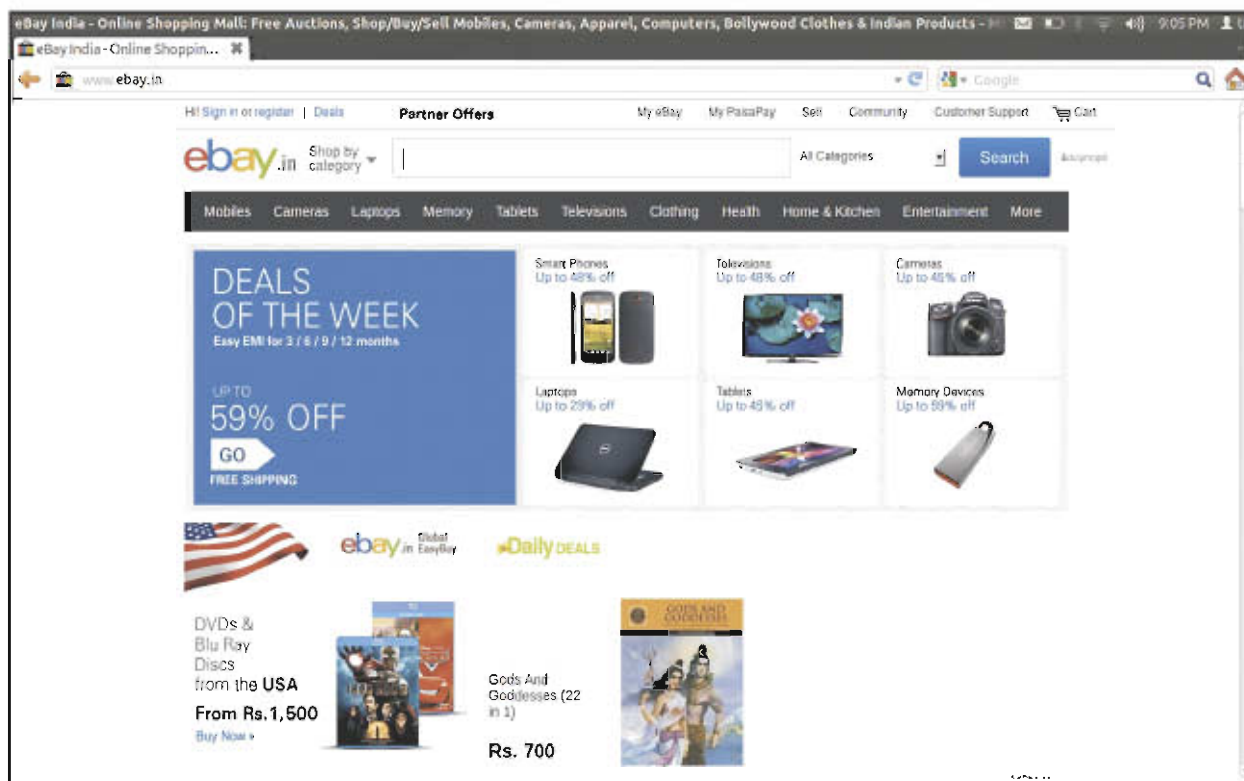
**Figure 4.2 : E-newspaper**

## Online Auctions

An auction is the process of buying and selling products or services by offering the customers to bid the price and selling the product to the highest bidder. The traditional auctions have limited participation of people. Today, the same auction mechanism can be implemented using E-commerce technologies which allow the people to bid on Internet. This is known as Online Auction. There are many websites providing live auctions of goods. These websites provide the platform for both the seller and the bidders. When you place a product for auction on these sites, you are a seller. At the same time you can also bid for a product which is placed by other sellers on the site, in this case you are a bidder.

To sell an item through an online auction site, you need to first register with the site. This is required to track the items you sell or bid on, determine the winning bids and build a database of seller and bidder feedback. Members are also required to provide their basic contact information before they are allowed to sell. Then, the member must go through the site's steps to sell each item that they want to put up for auction. The member generally puts a digital picture of the item and writes a brief description about the item.

By placing goods for auction, a person can get a good price through bidding and once the target price is reached or the time limit is over, the item is transferred to the bidder. Various payment options are also provided to the bidder. The sellers can get the advantage of getting best price for their products and the bidders save the time to get the product of their choice. Figure 4.3 shows the home page of online auction site [www.ebay.com](http://www.ebay.com).



**Figure 4.3 : Online auction site**

Some popular websites for online auctions are listed below :

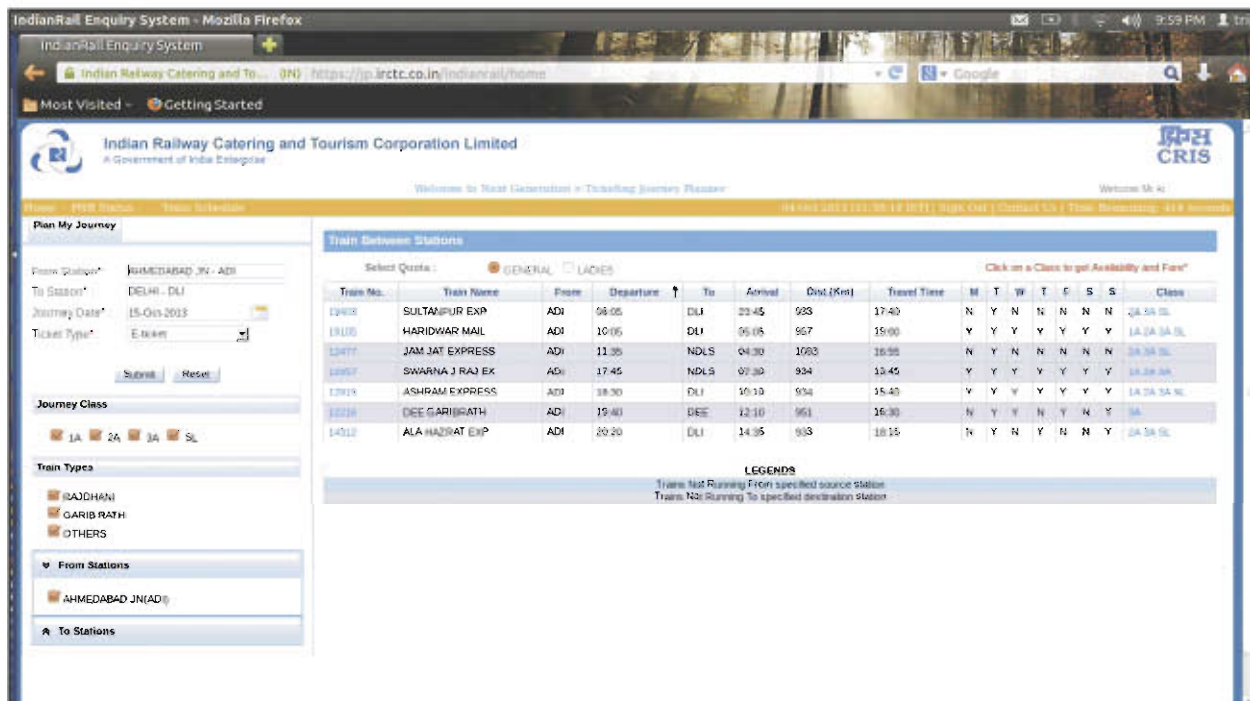
- [www.ebay.com](http://www.ebay.com)
- [www.onlineauction.com](http://www.onlineauction.com)
- [www.mybids.in](http://www.mybids.in)
- [www.ubid.com](http://www.ubid.com)

### Marketing and Selling

Many companies now-a-days conduct their business of marketing and selling of goods and services by their websites. They provide their product catalogue online over Internet for better marketing. The catalogue displays different categories of products with images, videos in some cases, brief description and features of the product. The customers can view the catalogue and select the products of their choice by adding them to the shopping cart. An online shopping cart is similar to the original store shopping cart. At the store, the customer selects the products and puts it in the shopping cart. When finished, the final billing is done for all the products in the shopping cart purchased by the customer. Similarly, in online shopping cart the customer can add the product, review what he/she has selected, make necessary modification or addition and finally order the products while checking out. The user needs to provide shipping detail. The payment of the purchase can also be made through Internet.

Today you can purchase groceries, toys, computer accessories, mobiles and many more products from Internet. Some websites provides holiday packages along with airline tickets. We can easily buy an airline or railway tickets online. For example, the website of Indian railways [www.irctc.co.in](http://www.irctc.co.in) gives all the information related to various trains and provides facilities for booking tickets and payment for it online. Once the ticket is booked the E-copy of the ticket is send on your mail as well as sent as an SMS on your mobile. Figure 4.4 shows the online booking of railway ticket.





**Figure 4.4 : Online railway ticket booking facility**

Some popular sites used for marketing and selling are :

- [www.homeshop18.com](http://www.homeshop18.com)
- [www.flipkart.com](http://www.flipkart.com)
- [www.myntra.com](http://www.myntra.com)
- [www.makemytrip.com](http://www.makemytrip.com)

### Online billing

In online billing, companies send their bills to customers through E-mail. Once the customer receives the bills, he/she can pay online on the company's website using credit card or net banking facility. Companies who need to send the bills to a large number of customers periodically can use these facilities. For example, BSNL sends its customers online bills and the customers can also do online payment using Internet.

### Information services

Many organizations use the Internet to provide latest information to their users or members. This includes educational institutes and universities, which provides the examination results, online enrolment forms, examination schedule and seating arrangement and important notices. Students can view their results using the website from anywhere. Another example of information services is the notices and reminders sent to the customer by the companies or banks.

Many organizations provide various forms to be downloaded so that the customer can easily download and use it. Companies can also get the information or details about the customers by filling the forms online.

### Support services

Support services have become increasingly important due to the huge technological changes that have taken place in the last decade. Today, even the simplest products utilise sophisticated electronics

which requires specialised knowledge and technical ability for maintenance and support when any problem arises. After selling the products, companies are providing online support to the customers. For example, a company selling electronic product provides online complaint registration to their customers, which is then forwarded to the support engineer. Customers can also track the status of their complaint placed online. Software companies provide online support to their customers for any problem in installation, configuration or use. Software vendors also allow their licensed customers to download the recent updates of the software. Hardware vendors put software drivers for their devices so that the customer can download them by choosing proper product type and model.

## Net Banking

Net banking or electronic banking is getting more popular day by day. Sometimes a customer may want to make an urgent payment or check his account balance without visiting the bank due to some problems. Online banking can help the customers solve these problems. Online banking is the process of conducting the banking transactions over the Internet. Today majority of the leading banks have started providing online banking facility to its customers. With the help of online banking customers can avail the following services :

- Check account balance at any time.
- Transfer the money from one account to other.
- Obtain statements for any credit or debit.
- Find status of transactions.
- Pay various bills online like telephone, electricity and many more without going to the bank.

The customer is provided a password for online banking services with which he logs in to the bank site and performs all the banking activities from his computer or mobile. Figure 4.5 shows the home page of State Bank of India website. The URL of the same is [www.onlinesbi.com](http://www.onlinesbi.com).

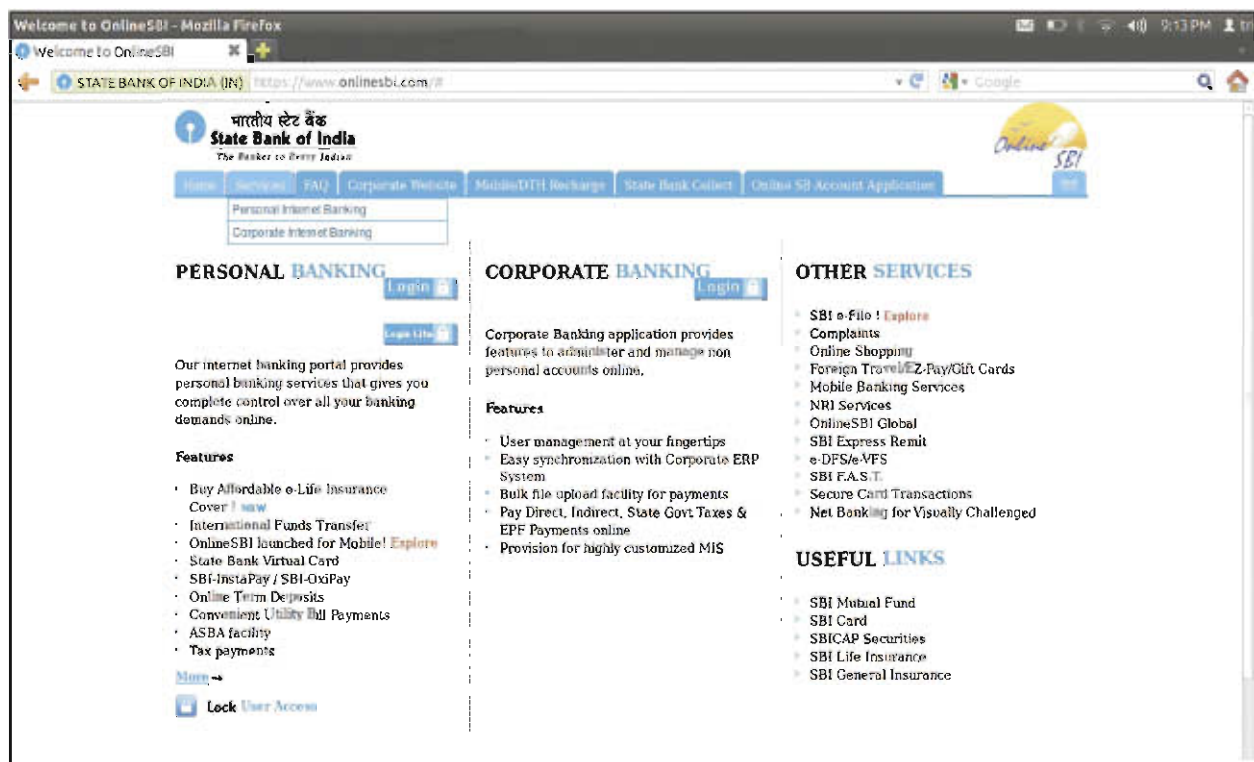


Figure 4.5 : Online banking facility

Most of the banks today provide online banking; a list of few of them is given below :

- [www.centralbankofindia.co.in](http://www.centralbankofindia.co.in)
- [www.bankofbaroda.co.in](http://www.bankofbaroda.co.in)
- [www.iob.in](http://www.iob.in)
- [www.pnbindia.in](http://www.pnbindia.in)
- [www.denabank.co.in](http://www.denabank.co.in)

### **Traditional commerce vs. E-commerce**

Due to the growth of Internet, the nature of competition in traditional way of doing business and using E-commerce has changed significantly. In traditional commerce, the businesses have to compete within a single industry and limited geographical area. In many cases business processes use traditional commerce activities very effectively and they cannot be improved through technology. The products that customers prefer to touch, smell or examine precisely are difficult to sell using E-commerce. For example, buyers will hesitate in buying perishable food items, expensive jewellery and high-fashion cloth as they cannot be examined closely before purchase. In traditional commerce, the retail merchants with their years of experience create the store design that helps to convince the customer to purchase a product. This arrangement of products, store design and layout is called merchandising. The merchant develops the skills to identify customer needs and find products and services that meet those needs. But this art of merchandising can be difficult to implement over Internet. Some of the common features of traditional commerce are :

- Operates within a certain period of time or during business hours.
- No sharing of information with competitors.
- Hiring of sales persons, sales manager and many more.
- Location renting or purchasing, advertising, inventory, shipping of products.

However, in today's fast paced world it is very important to break through these conventional rules. We need to adapt to the new ways of doing business worldwide using Internet. Some of the features of E-commerce are :

- Advertising of the product is done electronically.
- Customers can browse through products catalogue and available offers.
- E-payments systems are used for receiving payment. However, in many cases payment on delivery option is also available.
- Goods are delivered to the customer within few days.
- Reduces the per transaction cost.
- Reduces the time taken to perform an overall transaction.

### **E-commerce in India**

The Internet users in India are growing day by day. E-commerce in India is experiencing a remarkable growth and successfully changing the way people transact. From high end designer apparel to second hand books, everything is now available to Indian online buyers at the click of a button. It has opened up new horizons and opportunities for millions of people.

A greater variety of goods and services that can be bought over the internet is making online buying more attractive and convenient. As internet has reached the rural parts of India, a drastic change is observed in their lifestyles, the quantity and quality of consumption is helping change mindsets in the rural areas.

Many factors are playing role for the growth of E-commerce in India. Some of the key factors are listed below :

- The growth of technology facilitators such as Internet connections, broadband and third generation (3G) services, laptops, Smartphones, tablets and dongles.
- Increase in use of mobiles devices.
- Availability of much wider product range.
- Busy lifestyles, traffic congestion and lack of time for traditional shopping.
- Lower prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs
- Increased usage of online classified sites, with more consumers buying and selling second-hand goods.
- Evolution of the online marketplace model with sites like eBay, Flipkart, Snapdeal and many more.

Though the penetration of E-commerce is low in India as compared to other countries, but it is growing at a much faster rate with a large number of new entrants. There are a lot of Online stores in India which are becoming quite popular like Flipkart, eBay India, Snapdeal, Amazon India, Myntra, Dominos, PayTM, Jabong and many more.

Retailers have also started offering a cash-on-delivery option, it is the most preferred payment method in India. Almost 80% of Indian E-commerce business uses cash-on-delivery mechanism. Though, from the online retailer point-of-view this is an expensive proposition, as they have to finance the sale till the order is delivered. For the consumer, cash-on-delivery makes it easy to reject products at the point of delivery.

Industry experts are optimistic about the future potential of E-commerce industry in India. Though there are challenges to be faced, they can be easily overcome with well-planned and pre-decided strategies which will give a boost to the growth of E-commerce in India.

### **Advantages of E-commerce**

With the growth of Internet, companies are finding new and exciting ways to expand their business. Today we can hardly find any successful company which do not use computers in their everyday business activities. E-commerce provides multiple benefits to the customers in the form of availability of goods at lower cost, wider choice and saves time. E-commerce sales would rise in the coming years with the availability of faster broadband services and new applications. Some advantages of E-commerce are listed below :

#### **• Conduct business 24×7**

Using E-commerce a business can operate anywhere anytime. The business activities do not remain time bound. A customer can purchase a product any hour of the day; hence an order can also be accepted at any hour of the day.



- **Lower cost**

Using Internet for business activities can reduce the cost of marketing, distribution, phone, postage, printing and many other such activities. In E-commerce requirement of physical store space or infrastructure investment is minimal. The cost of opening a physical store is very high as compared to doing business on Internet. Customers are also benefited by getting a wide range of products for selection at lower cost due to competition amongst the vendors and elimination of distributors or intermediaries for selling the products.

- **No boundaries or geographical limitations**

A physical store is limited by its geographical area of service. With E-commerce, businesses can reach out to millions of customers in an instant which is not possible in any conventional mode of marketing. It has the ability to reach potential buyers easily further creating new markets. Global coverage can be reached through creating a website and uploading it on Internet.

- **Improved and better customer service**

As there is a direct communication with the customer, it is possible to solve their queries related to the price, quality, features of the product and others thus resulting in a better customer service. For companies that do business with other companies, adding customer service online is a competitive advantage. Online customer service makes customers happier. E-commerce gives better and quicker customer service. Information can be shared easily on Internet. A merchant can email its customers about the new product and can also solve the product related problems.

- **Teamwork**

E-commerce helps organizations to work together. One good example is the use of e-mail which helps people to exchange information. It has changed the way organizations interact with suppliers, vendors, business partners, and customers. More the interaction better is the result.

- **Eliminate Travel Time and Cost**

The customers do not have to travel long distances to reach their preferred physical store. E-commerce allows them to visit the same store virtually, with a few mouse clicks.

- **Speed**

Doing business electronically is much faster than using the traditional methods. The speed of business transactions increases significantly as delays for communications is avoided by conducting transactions online. Business organizations can generate purchase orders and send it to suppliers online without delay. Suppliers can receive and process the order quickly. This also helps in reducing the shipping time. Information appearing on the Internet can be changed rapidly. This gives business organizations the ability to inform the customers of any changes in the product or services offered by the company.

E-commerce also provides the following benefits to the society :

- Buy from home, office or any place.
- Less travelling to purchase a product which further reduces pollution and traffic.
- Health care services.
- Distance learning and education.

## Limitations of E-commerce

Although E-commerce has a list of advantages, it also has some limitations and disadvantages. However, with passage of time many of the limitations may disappear. Following are some of the limitations of E-commerce.

- **Resistance to change**

Business organizations need to change from traditional business to E-commerce which is faced by a lot of resistance. People need to get used to paper-less and faceless business transactions.

- **Initial Cost**

E-commerce requires significant initial investment in new technologies which can change the company's core business processes. It also requires investment in hardware and software technologies. The staff training is needed to understand the way of conducting the business using E-commerce.

- **Security**

A primary concern in E-commerce is security. The data or information travelling on the Internet related to the company or an individual should be protected by unauthorised access. Internet provides universal access but companies should protect their assets from malicious or accidental misuse.

- **Privacy**

The privacy of the customer's information is a serious issue. Customers hesitate to share their personal information on the Internet due to fear of misuse. Many times, the companies sell their database information to marketing companies and they in turn send unwanted (spam) mails to the customers. The hackers also might intercept the information on the Internet and misuse the data. Credit card frauds result into financial loss to the customer. The protection should be provided from hackers, viruses, transfer of data and transaction risks.

- **Lack of trust**

Sometimes, business frauds like non-delivery of products, incorrect information of the product, lack of security for payment transactions creates dissatisfaction amongst the customers. Also returning defective goods purchased online can be difficult issue. The common concerns here are who pays the return postage, will full refund be made by the merchant and whether the product will reach to their original source.

- **Time for delivery of products**

In a physical store, we select the product and leave with the product in our hands. In E-commerce we often buy products that are not available locally, which means the product needs to be delivered which takes time and cost money. The cost of shipping charges is an overhead in case the product is ordered from a distant place.

- Perishable products like fruits, vegetables and others are not preferred to be purchased online. Online store doesn't provide the opportunity to touch, wear or feel the product. Therefore online selling of such products like clothes and furniture might be tricky.
- Payments on E-commerce are most often conducted using credit card facilities and as a result very small and very large transactions are not preferred to be conducted online. Timely updates

of information and services are often a problem in case of small organizations trying to establish their business online. E-commerce is dependent on Internet and any problem in the Internet connectivity causes business risk.

### E-commerce Business Models

The business models of E-commerce are defined based on the parties involved and the type of business activities or services provided. Many business models have been proposed for E-commerce, but the following are the most popular amongst all. Generally, the classification is done on the basis of who is selling to whom.

- Business to Consumer (B2C)
- Business to Business (B2B)
- Consumer to Consumer (C2C)
- Consumer to Business (C2B)

Let us understand each of them in detail.

### Business to Consumer

Business to Consumer (B2C) refers to business and organizations that sells products or services to consumers over the Internet using websites. Consumers from anywhere can browse and order the products or services anytime. The sellers can sell products directly to the consumers. And the buyers are individual customers. This is the type of E-commerce that the consumers are most likely to see on Internet. Lately, it has gained a high popularity amongst consumers due to simplified and fast way to buy products. Apart from online retailing, B2C also includes services like online banking, real estate services, travel services and many more. Some examples of B2C websites are: amazon.com, rediff.com, fabmart.com, flipkart.com etc. Figure 4.6 shows the home page of Flipkart website. It is a popular website for purchasing variety of goods.

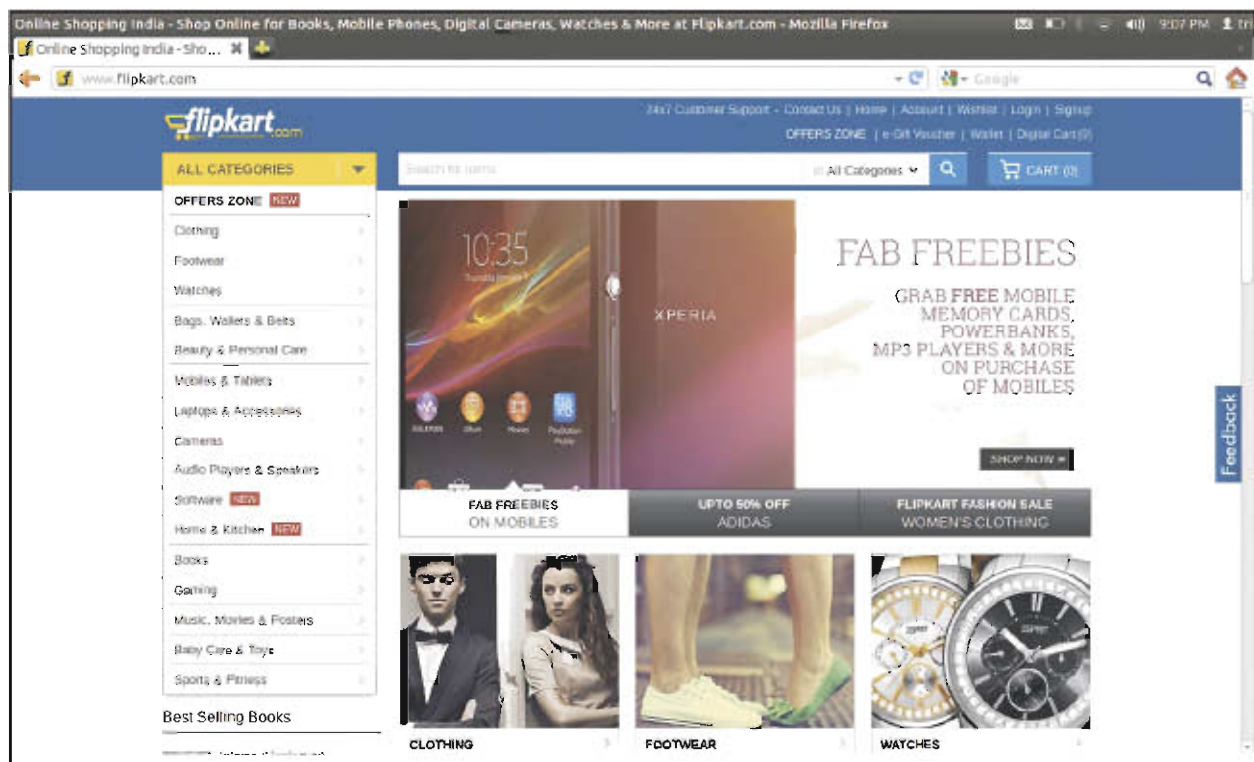
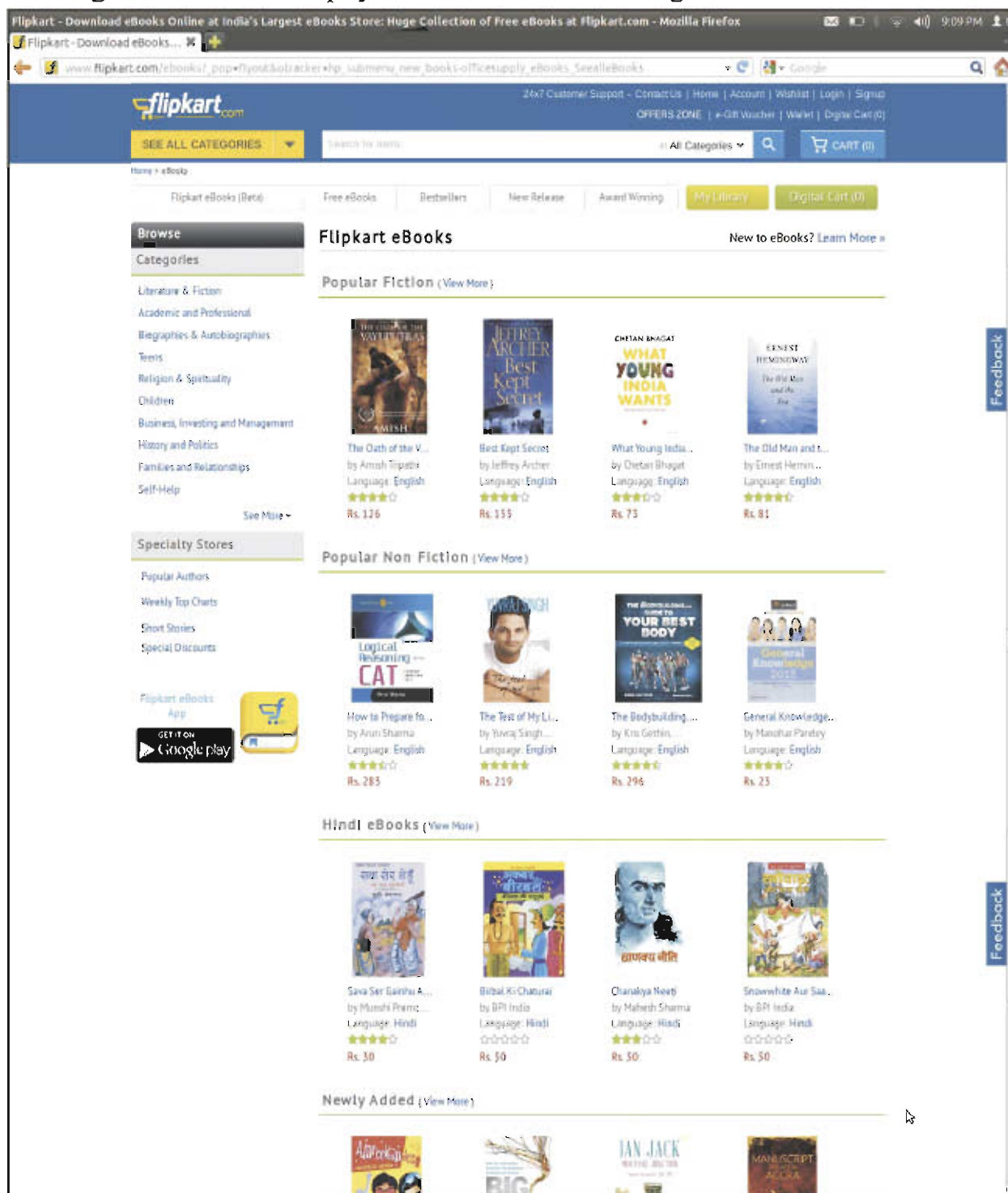


Figure 4.6 : Home page of Flipkart

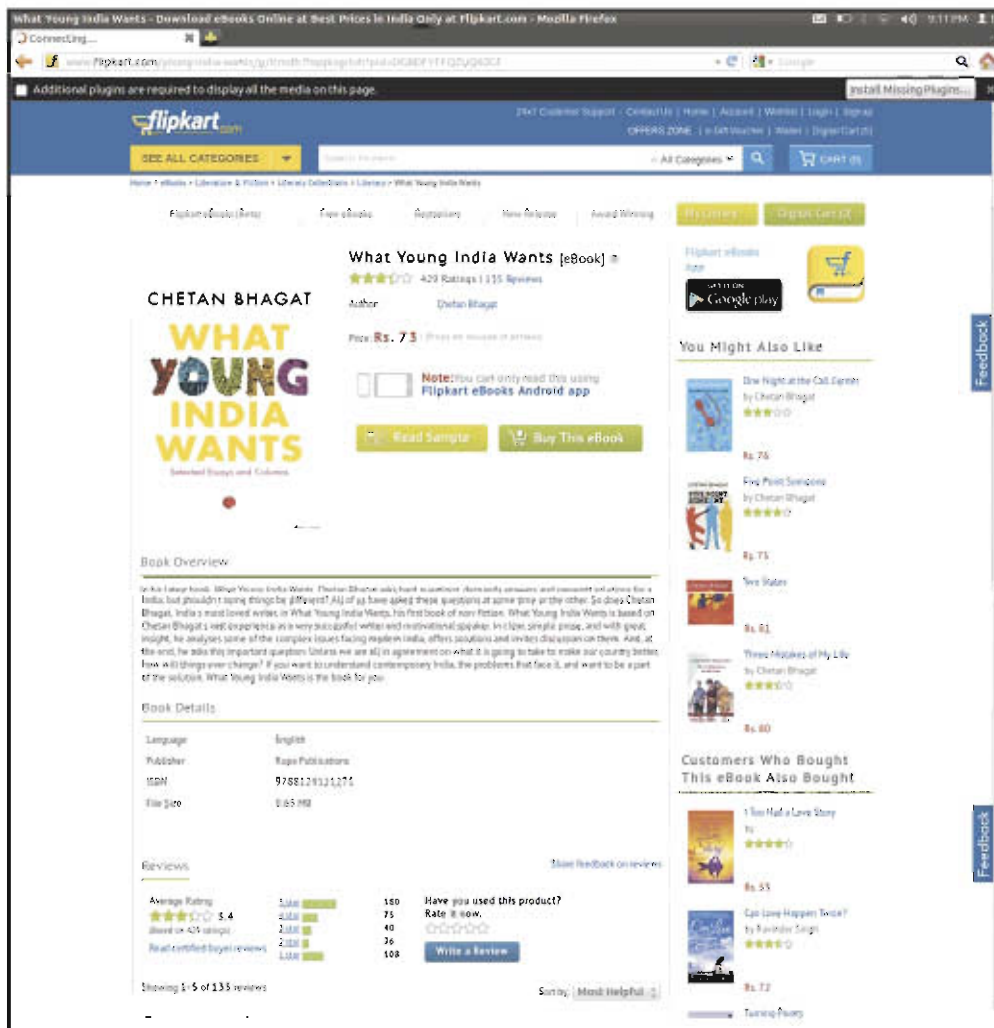
As seen in the figure 4.6, the products are displayed category wise on the left side of the window. Select the category as per your choice. Here we have selected the eBooks category as shown in the figure 4.7. This will display all the eBooks in the catalog.



**Figure 4.7 : Selecting eBooks category in Flipkart.com**

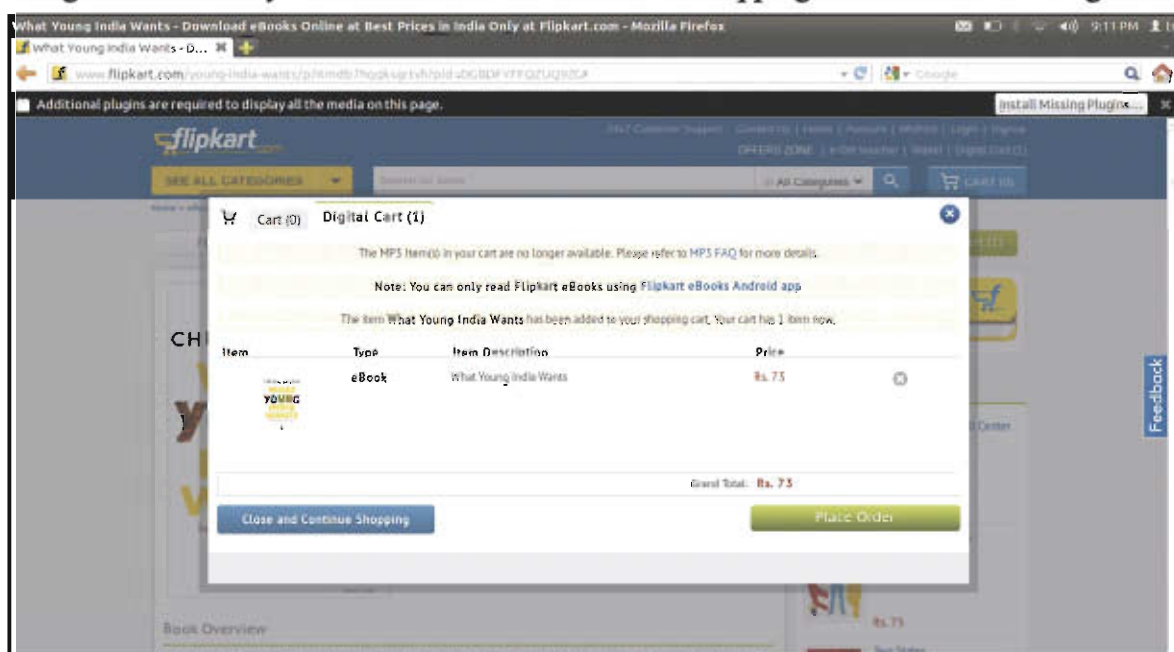
When we click on icon of any of the eBook it shows the details like authors name, price, readers rating, book review, publisher and ISBN number as shown in the figure 4.8. We can also search a particular book from the different categories using the search tool provided at the topmost portion of the window.






**Figure 4.8 : Selecting an eBook**

Pressing the button "Buy this eBook" adds the book in the shopping cart as shown in the figure 4.9.



**Figure 4.9 : Shopping cart showing the selected eBook**



In similar way, you can add any number of products to the shopping cart from various categories you want to purchase. You can also delete a selected product; change the quantity of the product in your shopping cart.

To confirm the order, press the button "Place Order" as shown in figure 4.9. This will take you to the final screen where you are asked to create a login in case you have not created; provide the billing address, shows order summary and payment options. Once all this process is over, the purchase order is made and the eBooks are shipped to your address provided in the shipping details. Now-a-days you also have an option of "Payment on Delivery" option where you can pay for the product purchased when it is delivered at your address.

### **Business to Business**

Business to Business (B2B) refers to E-commerce activities between different business partners. In B2B both the seller and the buyer are business entities. It enables the businesses to form E-relationship with their suppliers, distributors and other agents. This allows more transparency among the business entities involved and results in more efficiency. For example, a manufacturer deals with a supplier, a distributor and a wholesaler. The manufacturer using B2B can quickly communicate to the supplier about diminishing stock product, the supplier in turn can respond quickly to it.

With the help of B2B, the companies can improve the efficiency of common business activities like supplier management, inventory management, payment management and many more. It is an effective media for managing telemarketing, supply chain, procurement, just-in-time delivery, online services. Some examples of B2B websites are [commodity.com](http://commodity.com) and [tradeindia.com](http://tradeindia.com).

### **Consumer to Consumer**

Consumer to Consumer (C2C) refers to E-commerce activities involving transactions between and among the consumers. It enables the consumers to directly deal with each other through online auctions and classified advertisements without the involvement of third party. Any Internet user can become a vendor or purchaser at C2C websites. Auctions sites are a good example of C2C model. If we have any product to sell, we can get it listed at an auction site and others can bid for it. Some example of C2C websites are [Ebay.com](http://Ebay.com), [OLX.com](http://OLX.com) and [Quikr.com](http://Quikr.com)

### **Consumer to Business**

Consumer to Business (C2B) involves reverse auctions where the consumers determine the prices of the products or services. In this type of E-commerce, consumers have a choice of a wide range of products and services, along with the opportunity to specify the range of the prices that they can afford or are willing to pay for a particular product or service. The companies bid to offer the products or services to the consumer. This helps in reducing the bargaining time while increasing flexibility for both the consumer and the company. C2B uses Internet to reverse the normal buying process wherein the consumers decide what they are willing to pay and business decides whether to accept it or not. Some examples of C2B websites are [bidstall.com](http://bidstall.com), [JeetLe.in](http://JeetLe.in)

There are other variations to E-commerce business models. If we consider Government as a separate entity, then we can have :

- Government to Business (G2B)
- Government to Citizen (G2C)
- Government to Government (G2G)

## Government to Business

Government to Business (G2B) refers to the services and information provided by the government to the business organizations through vast network of government websites. A business organization can get all the information related to business policies, approvals for starting the business, setup requirement and other specifications from these websites. Various forms can be filled and submitted online to the related government office. For example, income tax department of Government of India has their website [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in) wherein all the rules related to tax; different forms and facility for submission of online tax returns are provided. This business model is a part of E-governance initiative.

## Government to Citizen

Government to Citizen (G2C) is also a part of E-governance. The objective of this business model is to provide good and effective services to individual citizen. The website provides information regarding various government departments, various welfare schemes, different application forms to be used by the citizens etc. The Gujarat Government has developed its own network called Gujarat State Wide Area Network (GSWAN) for this purpose and is available online on [www.gswan.gov.in](http://www.gswan.gov.in). Figure 4.10 shows the home page of GSWAN.



Figure 4.10 : Home page of GSWAN website



## Government to Government

Government to Government (G2G) refers to online non-commercial communication between the Government agencies, organizations and departments with other Government agencies, organizations and departments. The sharing of information helps in reducing IT costs, streamline procedures and government offices can be more efficient.

From all the E-commerce models described above, B2C and B2B are the two most widely used models. The major difference between the two models is the consumer. In B2B model, the consumers are other companies while in B2C model the consumers are individuals.

### Summary


In this chapter we discussed about E-commerce, its advantages and disadvantages, applications of E-commerce and its business models. E-commerce can be defines as the use of Internet for conducting business activities. E-commerce is used for marketing and selling, purchasing of products, online newspapers, information services, support services, net banking and many more. The business models of E-commerce are classified based on the parties involved and the type of business activities or services provided. We studied various models like, Business to Consumer (B2C), Business to Business (B2B), Consumer to Consumer (C2C), Consumer to Business (C2B) and Government to Business (G2B).

### EXERCISE

1. Define E-commerce. List some of the applications of E-commerce.
2. What is online auction?
3. What is electronic newspaper? List some of the features of the website.
4. List some online bookstores and discuss the features of any one.
5. What is net banking? Name some of the websites for online banking.
6. State the difference between traditional commerce and E-commerce.
7. State the advantages of E-commerce.
8. Write about the following E-commerce business models. Also give example for each.
  - (1) Business to Consumer (B2C)
  - (2) Business to Business (B2B)
  - (3) Consumer to Consumer (C2C)
  - (4) Consumer to Business (C2B)
  - (5) Government to Business (G2B)
9. Choose the most appropriate option from those given below :
  - (1) Which of the following is an example for online bookstore ?
    - (a) Amazon
    - (b) irtc
    - (c) Gmail
    - (d) yahoo
  - (2) Which of the following is newspaper that exists on the Internet in digital form ?
    - (a) l-newspaper
    - (b) Internet-newspaper
    - (c) www-newspaper
    - (d) E-newspaper



- (3) Which of the following is the process of buying and selling products by offering the customers to bid the price ?  
(a) Marketing      (b) Auction      (c) Bookshop      (d) Booking
- (4) Which of the following is known as the process of conducting the banking transactions over the Internet ?  
(a) Auction      (b) Bidding      (c) Net banking      (d) www-banking
- (5) Which of the following is a feature of traditional commerce ?  
(a) Operates within a certain period of time or during business hours.  
(b) Advertising of the product is done electronically.  
(c) E-payments systems are used for receiving payment.  
(d) Customers can browse through products and offers.
- (6) Which of the following is a feature of E-commerce ?  
(a) Operates within a certain period of time or during business hours.  
(b) No sharing of information with competitors.  
(c) Location renting or purchasing.  
(d) Advertising of the product is done electronically.
- (7) Which of the following is not an advantage of E-commerce ?  
(a) Lower cost      (b) Conduct business 24×7  
(c) Security      (d) No geographical limitations
- (8) Which of the following is a disadvantage of E-commerce ?  
(a) Privacy      (b) Improved customer service  
(c) Speed      (d) Conduct business 24×7
- (9) Which of the following E-commerce business model refers to business and organizations that sell products or services to consumers over the Internet using websites ?  
(a) Business to Consumer (B2C)      (b) Business to Business (B2B)  
(c) Consumer to Business (C2B)      (d) Government to Business (G2B)
- (10) Which of the following E-commerce business model refers to activities between different business partners ?  
(a) Government to Business (G2B)      (b) Consumer to Business (C2B)  
(c) Business to Business (B2B)      (d) Business to Consumer (B2C)
- (11) Which of the following is a good example of C2C model ?  
(a) Auction sites      (b) E-newspaper  
(c) Online purchasing      (d) Information services

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- (12) Which of the following E-commerce business model refers to E-commerce activities involving transactions between and among the consumers ?
- (a) Government to Business (G2B)      (b) Consumer to Consumer (C2C)  
(c) Business to Business (B2B)      (d) Business to Consumer (B2C)
- (13) Which of the following E-commerce business model involves reverse auctions where the consumers determine the prices of the products or services ?
- (a) Consumer to Business (C2B)      (b) Business to Business (B2B)  
(c) Consumer to Consumer (C2C)      (d) Government to Business (G2B)
- (14) Which of the following e-commerce business model is also a part of E-governance ?
- (a) Business to Business (B2B)      (b) Consumer to Business (C2B)  
(c) Consumer to Consumer (C2C)      (d) Government to Citizen (G2C)
- (15) Which of the following E-commerce business model refers to online non-commercial communication between the Government agencies, organizations and departments with other Government agencies, organizations and departments ?
- (a) Business to Business (B2B)      (b) Consumer to Business (C2B)  
(c) Government to Government (G2G)      (d) Consumer to Consumer (C2C)
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